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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION

HSDG/KING OCEAN SPACE CHARTER
AGREEMENT

FMC Agreement No. 011814-006
(3rd Edition)

Third Revised Page No. 2

ARTICLE 5: AGREEMENT AUTHORITY

5.1 The Parties are authorized to discuss and agree upon the number of vessels to be deployed by them hereunder, as well as the capacity, speed and other characteristics of such vessels. Initially, King Ocean shall deploy two vessels with a capacity of approximately 1,200 TEUs at a weight of 12 MT per TEU. King Ocean will be responsible for the costs of the vessel(s) it provides including, but not limited to, vessel charter hire, fuel, port charges and port agency vessel husbanding expenses; provided, however, that in the event the service continues to call Puerto Sucre, the expenses of such call shall be for the account of HSDG. The Parties are authorized to discuss and agree upon the port calls, port rotation and sailing schedule of such vessels. The Parties are authorized to increase the size and number of vessels operated hereunder up to a maximum of 4 vessels having a maximum capacity of approximately 1,700 TEUs at a weight of 14 MT per TEU.

5.2 King Ocean shall charter slots for 685 TEUs on each sailing of the vessels operated hereunder to HSDG for such charter hire and on such other terms and conditions as they may agree from time to time.

The Parties also are authorized to buy and sell slots to/from one another in such amounts and on such other terms and conditions as they shall agree from time to time.

5.3 ~~No Party may sub-charter slots made available to it hereunder to any non-party ocean common carrier without the prior written consent of the other Party.~~ Each Party may sub-charter space made available to it hereunder to its carrier

affiliate(s) in which at least 50% of the voting shares are owned by the Party, its parent or a direct or indirect subsidiary of the Party, but may not sell, sub-charter, or otherwise make such space available to unaffiliated carriers without the prior written approval of the other Party; provided, however, that Hamburg Süd hereby consents to King Ocean selling 70 TEUs from within its allocation to Crowley. Hamburg Süd shall sell back to King Ocean slots for 70 TEU from within Hamburg Süd's allocation so long as the space charter between King Ocean and Crowley remains in effect.

The Parties agree that the Party sub-chartering space to a third party will prohibit the third party from re-chartering or otherwise allowing another party to use that space. Sale of slots on an ad hoc basis to third parties shall be permitted hereunder, provided that all the other Parties were first offered the opportunity to purchase those slots, as per procedures established by the Parties.

5.4 The Parties are authorized to discuss and agree upon use of common terminals/stevedores and to contract jointly for terminal/stevedoring services; provided, however, that nothing herein shall authorize the Parties to operate jointly a marine terminal in the United States.

5.5 The Parties are authorized to discuss and agree upon routine operational and administrative matters including, but not limited to, procedures for allocating space, forecasting, stevedoring and terminal operations, schedule adjustments, recordkeeping, responsibility for loss, damage or injury, the interchange of information and data regarding all matters within the scope of this Agreement, terms and conditions for force majeure relief, insurance, guarantees, indemnification,

and treatment of hazardous and dangerous cargoes.

5.6 Each Party shall retain its separate identity and shall have separate sales, pricing and marketing functions. Each Party shall issue its own bills of lading and handle its own claims.